

# Office of Administrative Hearings

## Overview

**Joint Appropriations Subcommittee on General Government**

**March 18, 2015**



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Outline

- Authorizing Laws
- Organizational Chart
- Budget History and Composition
- Brief Description of Divisions

# Office of Administrative Hearings

## Statutory Authorization:

- Article 60 of G.S. 7A

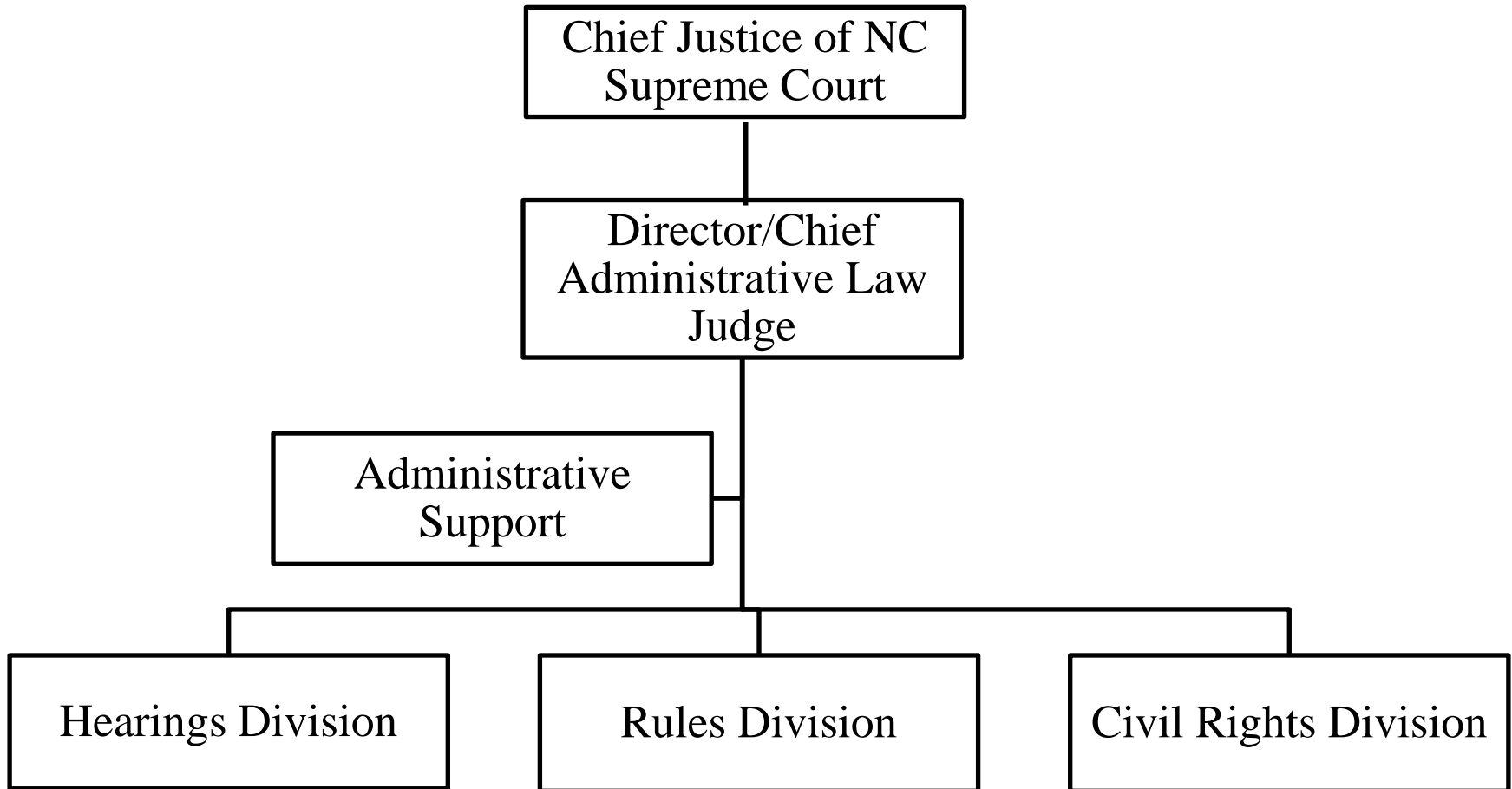
## Administers:

- G.S. 150B (Administrative Procedure Act)

## Designated Deferral Agency For:

- Civil Rights Act of 1964, Age Discrimination in Employment Act, and Americans with Disability Act for State and Local Government Employees covered under G.S. 126

# Office of Administrative Hearings

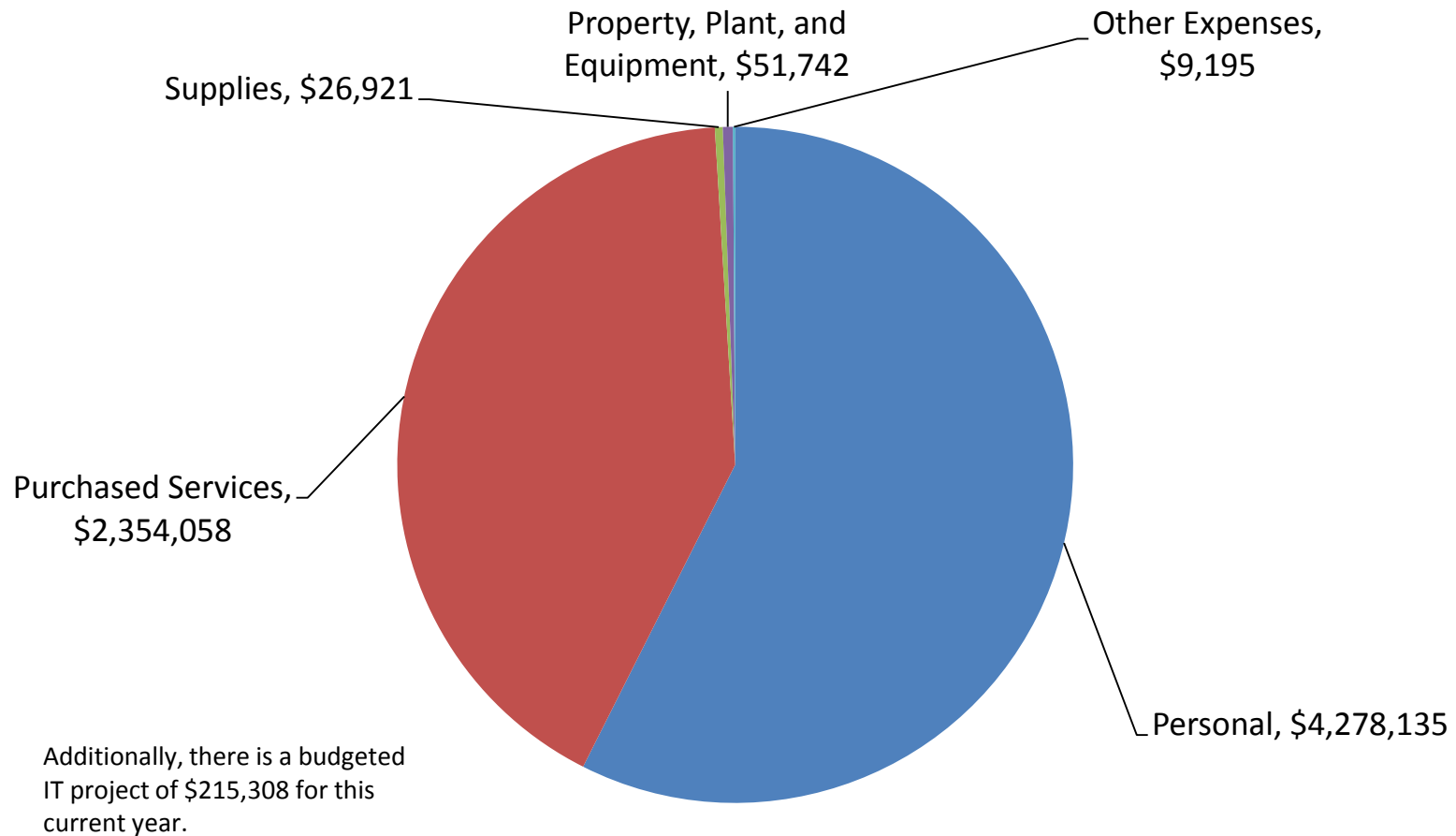


# Office of Administrative Hearings

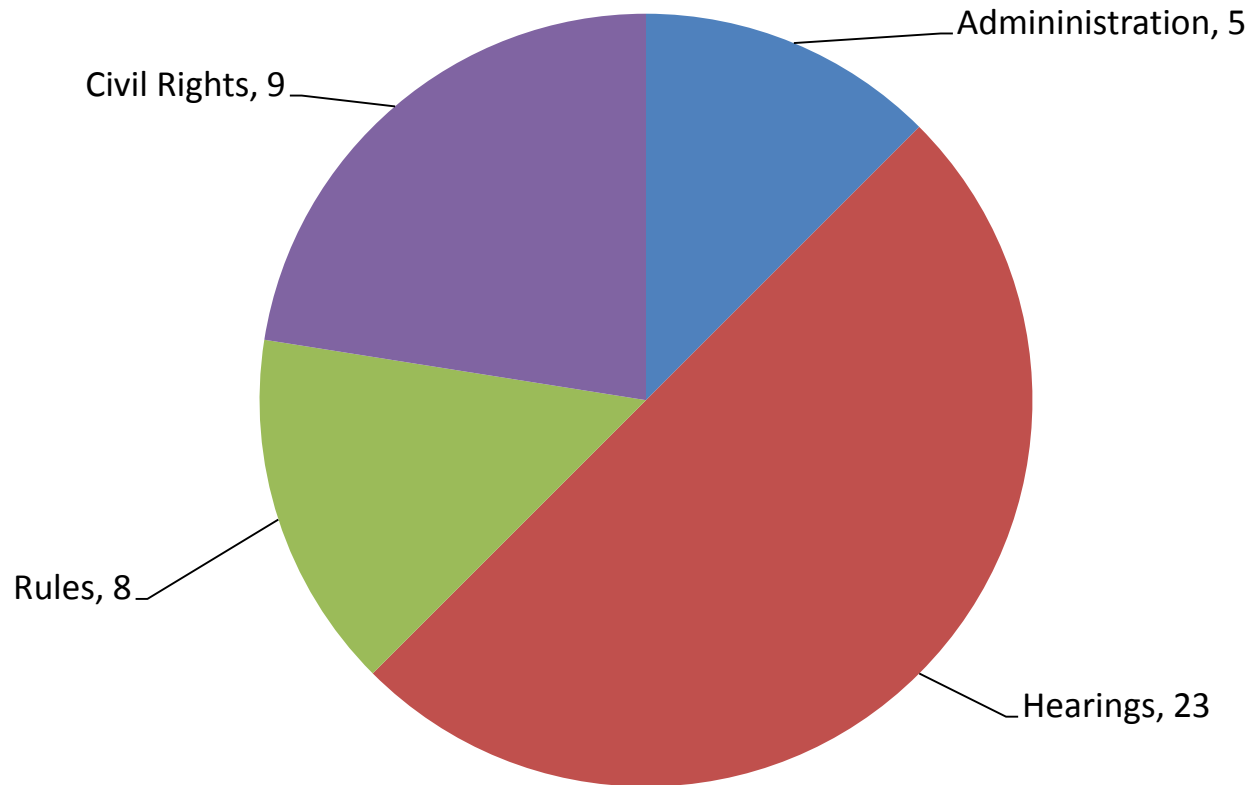
|               | Actual<br>FY 2010-11 | Actual<br>FY 2011-12 | Actual<br>FY 2012-13 | Actual<br>FY 2013-14 | Authorized<br>FY 2014-15 |
|---------------|----------------------|----------------------|----------------------|----------------------|--------------------------|
| Requirements  | \$5,985,561          | \$5,825,593          | \$7,339,418          | \$6,474,345          | \$6,879,929              |
| Receipts      | \$1,870,925          | \$1,817,926          | \$3,305,004          | \$2,312,502          | \$1,782,492              |
| Appropriation | \$4,114,637          | \$4,007,668          | \$4,034,413          | \$4,161,843          | \$5,097,437              |
| Certified FTE | 42                   | 40                   | 40                   | 45                   | 45                       |

Sources of Receipts: Transfers from Department of Health and Human Services and Federal Funds related to Equal Employment Opportunity Commission related activities

# Office of Administrative Hearings, Authorized Budget, FY 2014-15



# Office of Administrative Hearings, Authorized Positions, FY 2014-15



# Rules Division

- Administers Rule Making Process Throughout State Government
- Staffs Rules Review Commission
- Publishes the Register and Administrative Code



# What is a Rule?

The standard process by which an entity implements laws that impact outside entities:

- Must be authorized by State or Federal law
- Must be unburdensome as possible
- Written in a clear and unambiguous manner
- May not be unnecessary or redundant
- Based on sound information
- Must achieve the regulatory objective in a cost effective and timely manner

# Rules Review Commission

General Assembly appointed 10 person Commission established under G.S. 143B-30.1 to review and approve rules that meet the following:

- Within the Agency's authority
- Clear and unambiguous
- Reasonably necessary to implement or interpret an enactment of the General Assembly, or of Congress, or a regulation of a federal agency

# Hearings Division

Responsible for hearing Contested Cases under G.S. 150B:

- Nine Administrative Law Judges
  - One Chief Administrative Law Judge
  - One Senior Administrative Law Judge
  - Seven Administrative Law Judges
- Offices in Raleigh, Highpoint, and Charlotte

# What is a Contested Case?

An entity may file a contested case if they feel an Agency has:

- Deprived them of property
- Ordered them to pay a fine or civil penalty
- Substantially prejudiced their rights

The Petitioner must prove that the Agency:

- Exceeded its authority or jurisdiction
- Acted erroneously
- Failed to use proper procedure
- Acted arbitrarily or capriciously
- Failed to act as required by law or rule

# Civil Rights Division

The Civil Rights Division investigates claims of employment discrimination by state employees against agencies. This division serves as the official deferral agency for the federal Equal Employment Opportunity Commission under Section 706 of the Civil Rights Act of 1964.

# Civil Rights Division

- Makes initial determination of complaints of employment discrimination made by state and county government employees
- Investigates complaints of employment discrimination based on political affiliation made by state employees, former employees, and applicants (G.S. 126-14.4)
- Investigates complaints of employment discrimination on the basis of citizenship status and national origin

# Information Requested

1. Impact of SL 2013-413 that required a decennial review of rules. Identify the additional responsibilities associated with this requirement and overall impact on OAH's budget, including process for review and number of rules, etc.
  - Discuss the need for a Codifier of Rules and benefits associated with having this dedicated staff to OAH and Commission.
2. Hearings Division
  - Statistical information on case-load.
  - Discuss the need for a permanent presence in western NC and benefits that will accompany this addition.
  - Discuss the efficiency measures at state level with OAH structure (article referenced at our meeting).
3. Impact of proposed Governor's budget on OAH: What is the impact of reductions on OAH's operations. Additionally, what was requested and not funded through the budget.
4. Brief update on Civil Rights Division.

